

**DETERMINANTS OF NET SALE AVERAGE
(NSA) IN ORTHODOX BLACK TEA
FACTORIES IN HIGH ELEVATION**

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ABSTRACT

Secondary data has proven that high grown teas losing their position as a highest Elevation Average (EA) employed over the years. As EA is accounted by the factory Net Sale Average (NSA), the determinants of NSA could be responsible for the fluctuations of EA. To address this problem, this research is directed to identify the determinants of the NSA in orthodox black tea factories in high elevation. Secondary data were collected for the randomly selected sample tea factories representing agro climatic districts in high elevation. Fixed Effect panel data regression analysis was employed for the economic analysis thus the data having both individual/cross sectional effect and time effect. Results of the study revealed that NSA is determined by main grade percentage, own leaf quantity, best leaf standard, certification of the factory holding and number of broker used for the selling process. The situation of the Uda Pussellawa sub region is different from the main analysis thus it result negative relationship for own leaf and best leaf standard. Uva sub region was resulted negative relationship for the main grade percentage. The overall results is concluded that high elevation factory NSA determined by the quality of the raw material and final output. Certifications obtained by tea factory and number of brokers involved to the selling process are the external factors affecting for NSA and it is determine the reputation and efficiency of the selling process respectively.

Key words: High Elevation, Tea, Determinants, NSA, EA, Quality, Panel data